parties were let off with a warning. Three thousand six hundred and sixty-six (3,449) cases were compounded leaving a pendency of 121 (100) cases at the end of the year.

**443.** A sum of Rs. 15,573 was allowed as rebate in respect of the claim of the previous years.

**444.** Twenty-six (80) cases of agents of non-resident dealers were assessed to tax under Section 19 of the Act during the year.

**445.** The system of licences was being availed of by dealers and penalty licences were issued in all deserving cases.

**446.** The main recommendations of the Sales Tax Committee dealing with the following changes were approved by the Government and an Amendment Act 1954 was passed by the Legislature and the Act was brought into force from 1st April 1955:—

(1) Bringing a large number of commodities under the single point of taxation,

(2) Introducing a slab system for all commodities coming under the multi-point system, and

(3) Enlarging the list of exempted articles.

## (iv) The Mysore Government Insurance Department.

**447.** The Insurance Department procured a record business in the Life Branch and took action for implementing a good number of the recommendations of the Insurance Re-organisation Committee.

**448.** A new rule was incorporated for conducting valuations once in three years.

**449.** According to amendment of rule 8, further insurance can be effected for 10 per cent of pay even when the official is not confirmed in the higher grade provided there is no chance of his reversion to the lower post. Official Branch new rule.

**450.** The Public Branch rules were amended in several respects with a view to giving more benefit to the Policy-holders and to make the scheme attractive in the field of business.

**451.** That portion of the rule which deals with the rebate for large sums assured was amended revising the rates of rebate varying from annas 8 per thousand sum Rebate for Heavy Assurances.

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assured for assurances of Rs. 5,000 and above to Re. 1 per thousand sum assured for sums assured of Rs. 20,000 and above.

Scales of initial deposit.

**452.** The scale of initial deposit was revised for the benefit of policy-holders, particularly in respect of small assurances.

Amplification of Automatic Non-forfeiture Scheme.

**453.** The rules relating to automatic non-forfeiture scheme were amended by the introduction of a new rule 18 (b), so that for policies for which a definite number of premiums is payable, if the premiums have been paid for three consecutive years, the policies shall not lapse by reason of non-payment of further premium but shall be kept alive to the extent of its paid-up value.

Changing the valuation period.

**454.** Amendments were incorporated for changing the valuation interval from a quinquennium to that of a triennium so as to be in conformity with the provisions of the Insurance Act.

**455.** With a view to facilitate propaganda for the Department in the interior parts of the State, a van was purchased. Arrangements are being made to equip the van with loud-speaker and microphone and also projector to work in the interior parts of the State.

**456.** As usual, the Department participated in all important jatras and exhibitions. During the Mysore Dasara Exhibition, 1954, a record volume of new business amounting to Rs. 11·25 lakhs was procured at the Departmental stall.

**457.** The department participated in the Annual Cattle Show and Exhibition at Hassan and in the Congress Exhibition at Bangalore, and in the All-India Malnad Exhibition, Shimoga and secured business to the extent of Rs. 1,48,200, Rs. 3,69,300 and Rs. 1,73,100, respectively.

Official Branch.

**458.** Out of 9,380 (8,116) proposals that were dealt with, 6,843 proposals were accepted, 5,049 being cases of first insurance and 1,794 of further insurance. One thousand, six hundred and one proposals were rejected, 1,532 temporarily and 69 permanently, on medical and other grounds. There were 936 proposals pending disposal at the close of the year.

Policies

**459.** Out of the 7,957 proposals accepted during the year, including 1,108 proposals pending at the beginning of the year and reinstated, 6,457 proposals resulted in policies. The sum assured on these policies was Rs. 76,74,954 yielding a monthly premium of Rs. 29,187. Thus there was an increase of 1,288 policies and Rs. 13,24,914 in sum assured over the figures of the previous year. Out of the remaining 1,500 proposals, 235 were cancelled and for 1,265 cases, treasury receipts for payment of first premia had not been received before the close of the year.

Public Branch.

**460.** Thirteen thousand two hundred and thirty-six proposals for Rs. 1,82,48,300 were received as compared with 8,985 proposals for Rs. 1,23,34,300 in the previous year, showing an increase of 4,251 proposals and Rs. 59,14,000 in sum assured. Including 299 proposals for Rs. 4,15,700 pending at the commencement of the year, 12,823 proposals were accepted, 217 were rejected and 120 were cancelled or withdrawn, leaving a balance of 375 proposals for an assurance of Rs. 5,30,200 pending at the end of the year, as compared with 299 proposals for an assurance of Rs. 4,15,700 pending at the end of the previous year.

Policies

**461.** Out of the accepted proposals, 12,026 resulted in policies assuring a sum of Rs. 1,57,96,185, yielding a premium income of Rs. 9,76,916-10-0. The figures show an increase of 4,035 policies and Rs. 46,56,647 in sum assured and Rs. 3,09,643-14-0 in premium income, over the corresponding figures for the previous year.

Motor Branch

**462.** The Motor Branch insured 1,967 vehicles earning a premium income of about Rs. 1,76,124 as compared with 2,047 vehicles earning a premium income of Rs. 2,02,000 in the previous year. The claims paid during the year amounted to Rs. 48,429.

Public Branch

**463.** The new business written by the Department during the inter-valuation period showed a satisfactory progress, the average new business per year being Rs. 1,12,45,572 as against Rs. 1,08,60,620 during the quinquennium 1943-48.

**464.** The valuation revealed a surplus of Rs. 62,46,359 allowing the declaration of a Simple Reversionary Bonus of Rs. 20 per thousand per annum on Whole Life Policies and Rs. 17 per thousand per annum on Endowment

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Assurance Policies. The Life Insurance Fund on 31st March 1953 was Rs. 4,96,07,710 as against Rs. 2,90,44,214 as on 30th June 1948 showing an increase of Rs. 2,05,63,496.

Official Branch

**465.** The new business in the Official Branch during the inter-valuation period was the largest ever procured in the history of the Branch. The average new business per year was Rs.74,73,517 as against Rs. 12,63,698 during the quinquennium 1943-48 showing an increase of Rs. 62,09,819.

**466.** The valuation revealed a surplus of Rs. 24,80,330 allowing the grant of a simple Reversionary Bonus of Rs. 18 per thousand per annum on both Whole Life and Endowment Policies. The Life Insurance Fund of this Branch at the end of the year was Rs. 2,12,01,421 as against Rs. 1,70,52,183 as on 30th June 1948.

**467.** The rates of bonus declared in the Public Branch and Official Branch are the highest so far declared by any insurer in recent years.

Reduction in premium rates.

**468.** Following the recent trend towards reduction of premium rates in the field of insurance all over India, the premium rates were reduced from 1st February 1955. The reduction in the rate of premium varies from about 13 per cent to 15 per cent in the case of Whole Life Policies and from about 2 per cent to 7 per cent in the case of Endowment Policies. The premium rates of the Department are now, generally speaking, a little lower than the premium rates of leading private insurance companies. The reduction in the premium rates is having a favourable influence on the procurement of new business.

Enhancement of commission rates.

**469.** The commission rates payable to the Agents of the Public Branch were revised from 1st February 1955. The rates are now on a par with those prescribed in the Insurance Act. According to the revised rates, a flat rate of 25 per cent on the first year's premium is allowed. In addition to this, new business bonus on Whole Life and Endowment policies for which one full year's premium has been paid is allowed at the rate of 5 per cent on the aggregate sum assured not less than Rs. 50,000 and at 10 per cent on aggregate sum assured not less than Rs. 1,00,000.

Agents' Benefit Scheme

**470.** The Agents' Benefit Scheme was revised on the lines of Section 42 of the Insurance Act. According to this, when an agent ceases to be in service, the commission on renewal premia received in respect of the business canvassed

by the Agent and remaining in force from time to time will be continued to be paid to the Agent himself, or, in the event of his death, to his nominees or heirs, as the case may be, under certain conditions.

**471.** The combined effect of declaration of a high rate of bonus, reduction in premium rates and revision of commission rates is that it has favourably influenced the volume of new business underwritten during the year, amounting to nearly Rs. 1·82 crores, the highest ever underwritten from the inception of the scheme.

Progress in Mechanised Accounting.

**472.** The initial work connected with the scheme of mechanisation of the accounting system of the Department which has been undertaken by installation of accounting machinery costing Rs. 1,82,000 has been completed. Basic cards numbering about 1,60,000 for both the Official and Public Branches have been prepared. The Department has started implementing the scheme and a part of the accounting and statistical work has been taken up on the machines during the year.

Branch Offices.

**473.** The opening of a Branch Office at Mysore for a period of one year in the first instance has been sanctioned. The question of opening branches in other places is under consideration.

**474.** The construction of a building at Mysore for the Department has been sannctioned at an estimated cost of Rs. 3·08 lakhs.

Popularising Insurance in Bellary District.

**475.** Several measures were undertaken to popularise Insurance Scheme in Bellary District. The question of appointing an Organiser is under consideration.

**476.** The business procured in Bellary District for the period was 120 proposals for an assurance of Rs. 1,72,450 in Public Branch.

Staff Insurance Scheme.

**477.** The Department has been endeavouring to popularise the Staff Insurance Scheme among the employees of Industrial Concerns.

## (v) Motor Spirit (Taxation on Sales).

**478.** Six importers, one wholesaler and 82 retailers registered themselves as dealers in petrol under Section 4 (1) of the Act, and three importers, one wholesaler and 48 retailers as dealers in motor spirit other than petrol.